



JOHN NAIMO
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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September 17, 2015

TO: Supervisor Michael D. Antonovich, Mayor
Supervisor Hilda L. Solis
Supervisor Mark Ridley-Thomas
Supervisor Sheila Kuehl
Supervisor Don Knabe

FROM: John Naimo
Auditor-Controller

SUBJECT: **CHILDREN'S HOSPITAL LOS ANGELES – A DEPARTMENT OF
MENTAL HEALTH SERVICE PROVIDER – PROGRAM REVIEW**

We completed a program review of Children's Hospital Los Angeles (CHLA or Agency), which included a sample of billings from Fiscal Year (FY) 2014-15. The Department of Mental Health (DMH) contracts with CHLA to provide mental health services, including interviewing Program clients, assessing their mental health needs, and implementing treatment plans.

The purpose of our review was to determine whether CHLA maintained documentation in their case files to support the services provided, as required by their County contract and related guidelines.

DMH paid CHLA approximately \$12.7 million on a cost-reimbursement basis for FY 2014-15. The Agency provides services in the Third Supervisorial District.

Results of Review

CHLA's treatment staff had the required qualifications to provide DMH Program services. However, CHLA did not maintain documentation to support 27 (41%) of the 66 billings reviewed resulting in an overbilling totaling \$6,773. Specifically, CHLA did not complete Client Treatment Plans in accordance with their County contract. In addition, for one (16%) of the six clients who received psychotropic medication, the Informed Consent for medication was not obtained.

Details of our review, along with recommendations for corrective action, are attached (Attachment I).

Review of Report

We discussed our report with CHLA and DMH. CHLA's attached response (Attachment II) indicates they agree with our findings and recommendations. DMH will work with CHLA to ensure our recommendations are implemented.

We thank CHLA management and staff for their cooperation and assistance during our review. If you have any questions please call me, or your staff may contact Don Chadwick at (213) 253-0301.

JN:AB:DC:EB:nj

Attachments

c: Sachi A. Hamai, Interim Chief Executive Officer
Dr. Marvin J. Southard, D.S.W., Director, Department of Mental Health
Smitha Ravipudi, Vice President of Service, Children's Hospital Los Angeles
Paul Viviano, Board President and CEO, Children's Hospital Los Angeles
Public Information Office
Audit Committee

**CHILDREN'S HOSPITAL LOS ANGELES
DEPARTMENT OF MENTAL HEALTH
PROGRAM REVIEW
FISCAL YEAR 2014-15**

PROGRAM SERVICES

Objective

Determine whether Children's Hospital Los Angeles (CHLA or Agency) maintained documentation to support the services billed to the Department of Mental Health (DMH) in accordance with their County contract and related guidelines.

Verification

We selected 66 (1%) of the 9,893 approved Medi-Cal billings for October and November 2014, which were the most current billings available at the time of our review (May 2015). We reviewed the Assessments, Client Treatment Plans, Progress Notes, and Informed Consent forms in the case files for the selected billings. The 66 billings represent services provided to 25 clients.

Results

CHLA did not maintain documentation to support 27 (41%) of the 66 billings reviewed. The undocumented billings totaled \$6,773. Specifically, we noted:

- For 19 billings, totaling \$3,415, the Client Treatment Plans did not contain a signature of the client or responsible adult.
- For eight billings, totaling \$3,358, CHLA did not provide the supporting Client Treatment Plans for October and November 2014.

According to the DMH Provider's Manual, Chapter 1, Page 21, the client or responsible adult's signature on the Client Treatment Plan is required for the plan to be final. The DMH Provider's Manual also requires a Client Treatment Plan for Mental Health Services, Medication Support Services, and Targeted Case Management Services. The questioned amount is for October and November 2014.

CHLA also did not maintain the Informed Consent as required by the DMH Provider's Manual, Chapter 2, Page 2-11, for one (17%) of the six clients reviewed who received psychotropic medication. According to the California Code of Regulations Title 9, Section 851, clients shall be treated with psychotropic medications only after they have been informed by the physician of their rights to accept or refuse such medication.

Recommendations**Children's Hospital Los Angeles management:**

1. Repay the Department of Mental Health \$6,773.
2. Work with the Department of Mental Health to determine the total disallowed billing amount, and repay the Department of Mental Health the amount identified.
3. Ensure that Client Treatment Plans are complete and contain objectives for all services provided.
4. Ensure that Client Treatment Plans contain the signature of the client or responsible adult.
5. Ensure that Informed Consent is documented in the client's chart prior to treatment with psychotropic medication.

STAFFING QUALIFICATIONS**Objective**

Determine whether CHLA treatment staff had the required qualifications to provide the mental health services.

Verification

We reviewed the California Board of Behavioral Sciences' website and/or the personnel files for 16 (11%) of the 140 CHLA treatment staff who provided services to DMH clients during October and November 2014.

Results

Each employee reviewed had the qualifications required to provide the billed services.

Recommendation

None.



July 30, 2015

Original sent via Federal Express

John Naimo, Auditor-Controller
County of Los Angeles
Department Of Auditor-Controller
Kenneth Hahn Hall of Administration
500 West Temple Street, Room 525
Los Angeles, California 90012-3873

RE: Children's Hospital Los Angeles (CHLA) - A Department of Mental Health Service Provider - Program Review
FY2014-15

Dear Mr. Naimo,

This letter is intended to be a formal agency response to your draft report received by CHLA dated July 15, 2015 as well as to the Contract Compliance Review attached to your letter also dated July 15, 2015.

CHLA contract with DMH and is paid on a negotiated rate per unit of service provided and is NOT paid on a cost reimbursement basis. The CHLA cost of providing these services to DMH exceeds the negotiated rate in every contracted modality and these costs will continue to exceed the negotiated rate even when the DMH auditor findings are considered. Never the less CHLA accepts the auditor's findings as discussed below. CHLA will also initiate corrective action where appropriate.

PROGRAM SERVICES

The July 15th Draft report on Program Services indicates five recommendations:

1. Repay the DMH \$ 6,773
2. Work with the Department of Mental Health to determine the total disallowed billing amount, and repay the Department of Mental Health the amount identified.
3. Ensure that Client Care Plans are complete and contain objectives for all services provided.
4. Ensure that Client Care Plans contain the signature of the client or responsible adult.
5. Ensure that informed Consent is documented in the client's chart prior to treatment with psychotropic medication.

CHLA Response:

CHLA agrees with the specific finding resulting in the request for repayment of services provided. The Auditor indicated that of the 66 billings representing services provided to 25 clients, 19 claims (29%) totaling \$ 3,415 for three Client Care Plans did not contain signature of the client or responsible adult. Also, the auditor indicated that eight claims totaling \$ 3,358 for one client chart that did not contain a Client Care Plan for the audit period.

As detailed above, CHLA agrees with the findings of the report and agrees to repay \$ 6,773. However CHLA would like to report that this finding overestimates the frequency of % of claims that do not contain signature of clients or responsible adult on the Client Care Plan and asserts that CHLA compliance with Client Care Planning



requirements are significantly better than as summarized in the audit report. Further CHLA recognizes the importance of documenting that the client or responsible adult approve of the client care plans by way of providing signatures.

CHLA does feel that CHLA can make improvements to obtaining client or responsible adult signatures. The CHLA vendor is working with other LA County Contract Agencies to make modifications to its electronic Client Care Plan. An important component of these modifications will be to complete an electronic signature procedure for care givers so the Client Care Plans can be completed, reviewed and signed in one session. In addition, CHLA will commit to include trainings and in-service presentations to staff informing them that Client Care Plans are considered final only when signed. Lastly, CHLA has developed a plan to create and fill a Quality Improvement Staff Position who will be charged with systematic review of client charts to ensure 100% compliance.

Informed Consent

The Auditor indicated that CHLA did not document the Informed Consent as required by the DMH Provider's Manual, Chapter 2, Page 2-11, for one (17%) of the six clients reviewed who received psychotropic medication.

CHLA Response:

CHLA accepts finding regarding the absence of documentation of specific caregiver consent for psychotropic medication prescription for one of six clients. CHLA is engaged in retraining of medication providers regarding the need to obtain consent for any new or changed prescription. CHLA has also developed a staffing plan for dedicated Quality Improvement Staff member who will be charged with systematic review of client charts to ensure 100% compliance.

Staffing Qualifications

There weren't any recommendations from the Auditor in this area. We maintained documentation and/or were able to provide confirmation of CHLA treatment staff qualifications for providing mental health services to DMH clients.

Very Truly Yours,

A handwritten signature in black ink, appearing to read "Thomas Harris", is written over a horizontal line.

Thomas Harris
Associate Vice President, Pediatrics